

AMENDED IN SENATE APRIL 21, 2003

**SENATE BILL**

**No. 375**

**Introduced by Senator Margett**

February 19, 2003

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~~An act to amend Section 3501 of the Labor Code, relating to workers' compensation.~~ *An act to add and repeal Sections 17052.15 and 23615 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.*

LEGISLATIVE COUNSEL'S DIGEST

SB 375, as amended, Margett. ~~Workers' Personal income and corporation taxes: tax credit: workers' compensation.~~

*The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.*

*This bill would authorize a credit against those taxes for each taxable year beginning on or after January 1, 2003, and before January 1, 2008, in an amount not to exceed 50% of the amount paid by a taxpayer during the taxable year for workers' compensation, provided that the taxpayer or taxpayer's business did not experience an increase in the number of workers' compensation claims in that taxable year.*

*This bill would take effect immediately as a tax levy.*

~~Existing workers' compensation law generally requires employers to secure the payment of workers' compensation, including medical treatment, for injuries incurred by their employees that arise out of or in the course of employment.~~

~~Existing law makes certain conclusive presumptions regarding a child's or spouse's dependency on a deceased employee for support as it pertains to workers' compensation benefits, and requires a finding by~~

a trier of fact, as specified, as to the physical or mental incapacitation to earn by a dependent child of any age.

~~This bill would make a technical, nonsubstantive change to the latter provision.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 ~~SECTION 1. Section 3501 of the Labor Code is amended to~~  
2 *SECTION 1. Section 10752.15 is added to the Revenue and*  
3 *Taxation Code, to read:*

4 *10752.15. (a) For each taxable year beginning on or after*  
5 *January 1, 2003, and before January 1, 2008, there shall be*  
6 *allowed as a credit against the “net tax,” as defined in Section*  
7 *17039, an amount not to exceed 50 percent of the amount paid by*  
8 *a taxpayer during the taxable year for workers’ compensation,*  
9 *provided that the taxpayer’s business did not experience an*  
10 *increase in the number of workers’ compensation claims in that*  
11 *taxable year.*

12 *(b) In the case where the credit allowed by this section exceeds*  
13 *the “net tax,” the excess may be carried over to reduce the “net*  
14 *tax” in the following year, and succeeding years if necessary, until*  
15 *the credit is exhausted.*

16 *(c) This section shall remain in effect only until January 1,*  
17 *2009, and as of that date is repealed.*

18 *SEC. 2. Section 23615 is added to the Revenue and Taxation*  
19 *Code, to read:*

20 *23615. (a) For each taxable year beginning on or after*  
21 *January 1, 2003, and before January 1, 2008, there shall be*  
22 *allowed as a credit against the “tax,” as defined in Section 23036,*  
23 *an amount not to exceed 50 percent of the amount paid by a*  
24 *taxpayer during the taxable year for workers’ compensation,*  
25 *provided that the taxpayer did not experience an increase in the*  
26 *number of workers’ compensation claims in that taxable year.*

27 *(b) In the case where the credit allowed by this section exceeds*  
28 *the “tax,” the excess may be carried over to reduce the “tax” in*  
29 *the following year, and succeeding years if necessary, until the*  
30 *credit is exhausted.*

(c) This section shall remain in effect only until January 1, 2009, and as of that date is repealed.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. read:

3501. —(a) A child under the age of 18 years, or a child of any age found by a trier of fact, whether contractual, administrative, regulatory, or judicial, to be physically or mentally incapacitated from earning, shall be conclusively presumed to be wholly dependent for support upon a deceased employee-parent with whom that child is living at the time of injury resulting in death of the parent or for whose maintenance the parent was legally liable at the time of injury resulting in death of the parent, there being no surviving totally dependent parent.

(b) A spouse to whom a deceased employee is married at the time of death shall be conclusively presumed to be wholly dependent for support upon the deceased employee if the surviving spouse earned thirty thousand dollars (\$30,000) or less in the twelve months immediately preceding the death.